



# IDAHO SOIL CONSERVATION COMMISSION

## Bi-monthly Commission Meeting Tuesday, July 28, 2009

2270 Old Penitentiary Road  
Boise, Idaho 83712

8:30 a.m. Mountain Daylight Time

### APPROVED MINUTES

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#### Idaho Soil Conservation Commission

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#### Governor

C.L. "Butch" Otter

#### Commission Members

J. Morgan Evans, Chair  
Bill Flory, Vice-chair  
Joe Davidson, Secretary  
Dwight Horsch  
Dick Bronson

#### Administrator

Sara Schmidt

#### Commission Members Present:

Dwight Horsch,  
Morgan Evans,

Bill Flory  
Joe Davidson

#### Commission Staff Present:

Sara Schmidt  
Susan Carroll  
Carol Youtz  
Dave Saxey

Tony Bennett  
Lance Holloway  
Biff Burleigh

#### Partners and Guests Present:

Kent Foster  
Steve Miller  
Karma Bragg  
Terry Halbert  
Cody Anderson  
Steve Becker

Wayne Newbill  
Randy Purser  
Keith Bybee  
Shelby Kerns  
Jeff Burwell  
Kelly Nielsen

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## **Welcome, Review Agenda, Announcements**

Vice Chair Morgan Evans opened the meeting and welcomed everyone on behalf of Chairman Dwight Horsch at 8:34 am. Self introductions of commission members and guests followed.

Evans distributed Dick Rush's letter of resignation from the Commission effective July 20, 2009. **Bill Flory moved to accept Rush's letter of resignation. Joe Davidson seconded the motion and it passed unanimously.** Evans asked Administrator Sara Schmidt to find a suitable small token of appreciation for Dick Rush's service to the Commission.

**Flory moved to appoint Joe Davidson as acting secretary for this meeting and until further notice. Davidson seconded the motion and it passed unanimously.**

Chair Horsch arrived at 8:40 a.m. Morgan Evans yielded the chair to Horsch.

**Evans moved to approve the draft minutes from the May 20, 2009 Commission meeting. Davidson seconded the motion and it passed unanimously.**

**Flory moved to approve the draft minutes from the June 5, 2009 Commission meeting. Davidson seconded the motion and it passed unanimously.**

**Evans moved to approve the draft minutes from the June 10, 2009 Commission meeting. Davidson seconded the motion and it passed unanimously.**

Kelly Nielsen, ISDA Fiscal Officer, arrived at 8:51 a.m. and distributed the Fiscal Year (FY) 2009 year-end financial report. Over \$4.16 million was effectively expended out the of the \$4.2 million FY 2009 budget.

The Commission was updated on activity related to their directive to send as much additional money to local districts as possible at the close of the fiscal year. The Commission's request late last spring to move unspent funds from Operating Expense accounts to Trustee and Benefits accounts for use in additional district allocations was denied by the Division of Financial Management. Similar requests from other state agencies were also denied due to the state's financial situation. As a result, the fourth allocation to districts was a total of \$40,553 distributed equally to each district for approximately \$794.00.

Discussion followed about Commission staffing levels and funding. Nielsen and Schmidt clarified that the current cap on full time employees for the Commission is 24 but it does not appear that there is enough money in the personnel budget to fill the two vacant positions. The need for district support and capacity building was referenced as a gap in the current Commission staffing plan.

## **Soil Conservation Commission (SCC) Staff Reports**

Schmidt thanked everyone for the warm welcome and shared her commitment to the partnership. She touched on the need to address conservation opportunities and challenges and be sure that

the Commission is staffed appropriately. Schmidt also stressed the importance of communication.

Tony Bennett updated the Commission on the Carbon Issues Task Force and their recently completed report. He also highlighted pilot projects in Idaho and pending federal “cap and trade” legislation. Tony commended the Clearwater SCD and a recent Carbon Credit Trading workshop they hosted on March 17, 2009 that attracted over 200 participants from Washington, Oregon, California, and Idaho. Discussion followed about concerns with the pending federal legislation and the valuable role that local districts could play in third party validation.

Bennett updated the Commission on Total Maximum Daily Load Agricultural Implementation Plans (TMDL). He stressed that TMDLs are excellent tools for water conservation and the Commission approach is to concurrently prepare and implement plans. SCC is also assisting DEQ with data collection as part of their ten-year review process.

Bennett updated the group on activity in the Upper Salmon Basin Watershed Program (USBWP). Schmidt touched on the potential for additional streamlining of federal funds through the Commission. Chairman Horsch thanked Bennett for his service as Acting Administrator earlier in the summer.

Biff Burleigh presented a brief update on the Water Quality Program for Agriculture (WQPA). Approximately 25 local conservation districts participated and slightly over \$1 million of state money was contributed in FY 2009. Of the total best management practices implemented, approximately 27% was due to state funding, 27% from federal funding, and 54% from the private landowners’ contribution. Discussion followed about how best to present this information as a Conservation Partnership success story.

The Commission took a break at 10:15 am and reconvened at 10:30 a.m.

### **Partner Reports and Requests**

The Idaho State Department of Agriculture (ISDA) report was presented by Kelly Nielsen. On behalf of the Director, he asked if there is anything that the Department can do for the Commission. Discussion followed about the immediate Commission needs for human resources and fiscal assistance. Chair Horsch thanked Kelly for his efforts to go above and beyond in terms of Commission service and support.

The Idaho Association of Soil Conservation Districts (IASCD) report was presented by Steve Miller and Kent Foster. Miller provided a detailed report of policy items from the recent National Association of Conservation Districts summer meeting. Discussion followed about prior and prospective Commission funding for the IASCD Executive Director’s position and office support. An update of OnePlan activity and funding was provided by Wayne Newbill. IASCD referenced the Thorn Creek/Pilger Project in the Magic Valley and the contract work the Association is performing for the Commission in the Upper Salmon Basin Watershed Project (USBWP). In addition to 1.5 Commission employees in Lemhi County, there are three IASCD contract employees funded through federal funds, Bonneville Power Administration, and the Pacific Coast Salmon Recovery Fund (PCSRF). Based on current funding streams, IASCD

estimates that funding will be exhausted for the contract employees in October 2009. Schmidt highlighted ongoing discussions with the Governor's Office of Species Conservation and Northwest Power and Conservation Planning Council to craft a long-term solution to the situation.

IASCD then discussed the meeting of the Interim Committee the day before. The group discussed questions regarding prior IASCD TMDL contract staff and Commission funding. The IASCD goal is to keep 5-6 contract staff for TMDL implementation. The group then discussed the next Interim Committee meeting, the need for further legal review by the Attorney General's office, the request to provide additional details about the Idaho Conservation Partnership in general, and the contractual relationship with IASCD specifically.

Discussion followed about the past Commission support to IASCD and future options pending legal review. Discussion followed about the possibility of those funds being distributed directly to districts, and districts then making the decision about how much support to provide the association. Miller and Foster shared information about the seriousness of IASCD's financial condition, current membership levels, and support from districts.

The Idaho District Employees Association (IDEA) report was presented by President Karma Bragg. Bragg thanked the Commission for their support and funding in prior years. Bragg addressed the recent SCC staff retirements that have required employees to coordinate more closely and raised questions about process moving ahead. In response to the Interim Committee discussion, Bragg stressed that state funding to districts is key for maintaining local employees and providing local outreach. Typically, federal or private funding that districts compete for does not allow funds to be spent in that manner.

Bragg reviewed the IDEA request for FY 2010 funding from the Commission. Bragg noted that IDEA conducts raffles and fundraisers for additional monies. Bragg formally requested SCC consider funding workshops and funding for an IDEA representative to attend Commission meetings as often as possible. IDEA also asked for support for the "Breakfast with the Chairman" function at the IASCD annual conference. Chair asked that Bragg provide specific requests in writing for this afternoon.

IDEA is also interested in developing a partnership calendar and looking for ideas on how to implement. Bragg introduced Terry Halbert from the North Side Conservation District, who described the IDEA goal of having a single partnership calendar for all of the events and deadlines affecting districts. Jeff Burwell offered that NRCS would be willing to host the calendar if all participants received the required USDA login codes and security training. Halbert stressed the need to find a user-friendly approach, and by consensus the partnership agreed to further explore the issue.

Halbert went on to describe an IDEA recommendation that an annual Report of Accomplishments be prepared and presented to the Governor and any other interested officials at the IASCD conference. Halbert summarized the great work that all 51 districts do with volunteer time and funds from local, state, and private sources. An annual report following a

standard two-page format could be compiled this fall. By consensus, the partnership agreed to prepare the annual report.

The Natural Resources Conservation Service (NRCS) report was presented by State Conservationist Jeff Burwell. Burwell stressed the NRCS need for effective partnerships and a hope that the Idaho partnership can work through the issues presented to the Interim Committee. Burwell offered to facilitate a joint presentation or session between IASCD, the Commission, and districts.

Burwell highlighted the new farm bill, including EQIP eligibility requirement and the ability to fund organic and air quality practices. He commended the Commission and staff for their involvement and support of recently funded Ag Watershed Enhancement Program (AWEP) and Cooperative Conservation Partnership Initiative (CCPI) projects. Out of six proposals funded in Idaho, four of those were SCC projects. He also stressed the need to promote the Wetlands Reserve Program in Idaho. Burwell also announced that Bob Bartholomew, Assistant for Programs, retired in May and that he will soon be filling the vacant position.

Wayne Newbill presented an Idaho OnePlan update. Newbill noted the financial constraints facing OnePlan now that the partnership's contribution of \$1M in funding has been utilized for software development. Newbill answered questions about the \$200,000 funding needed to maintain Idaho OnePlan, including software upgrades and ongoing maintenance. Newbill recapped that approximately \$20,000 is remaining in the 2008 congressional earmark and that IASCD is asking the Commission for \$30,000 this fiscal year to supplement salary expenses. If additional funding is available, it will be used for conservation planning, range, integrated pest management, and nutrient management module completions and upgrades.

The group took a short break for lunch at 12:10 pm and reconvened at 12:40 PM. Discussion followed about the Soil Conservation Commission Interim Legislative Committee meeting and possible action items for the Commission. Schmidt will follow up on providing additional background information about current Commission programs, operating guidelines and rules.

The Chair asked for an update on RCRDP rulemaking as directed at the May Commission meeting. Staff will look at existing rules and propose an update as needed to reflect recent active management of the loan program from the Commissioners. The group also discussed WQPA rules that were last updated in 2000 and they are all still current. SCC staff will work to review recent Commission directives and ensure they are captured as appropriate in operating policy, rules and/or statutes for all authorities and programs.

Discussion followed on the Interim Committee request for further information about the historic relationship between IASCD and SCC. The Chair also referenced the June 2009 Memorandum of Understanding between ISDA and SCC. The group also agreed to provide additional information about financial accountability policies and activities in response to the discussion about monthly reports and audits.

The group also discussed training opportunities for new supervisors and commissioners regarding the fiscal responsibilities of dealing with public money. The group discussed possibly using the insurance carrier for the cities and counties in Idaho to present these responsibilities at the IASCD convention or division meetings. Discussion also followed about possible examples in other states or within Idaho that could be a helpful model.

The Chair then asked the District representatives for input on how to present at the next Interim Legislative Committee. Suggestions included: better communication from the Commission to districts; communication between all partners; and, a clear understanding of how each partner functions and can work cooperatively. In addition, a request for transparent SCC policies and rules, as well as a better explanation of why and how monthly financial reports are being utilized. The need for capacity building among districts and a possible multi-state grant was mentioned. Multiple speakers stressed the need for the partnership to identify and craft as many solutions as possible prior to the next Interim Committee meeting. The Interim Committee could then focus on the few issues where there are differences of opinion between the partners. To summarize, the Commission will provide the following to the Interim Committee at a minimum: current rules; operating policy and guidelines; financial accountability policy; and an overview of partnership relationships.

Schmidt then reviewed the Fiscal Year 2010 Commission budget as approved by the legislature. The Commissioners expressed a desire to maintain 5% of total funds for a possible holdback due to the state financial condition. The Commission then focused on the appropriation under Trustee and Benefits including District Allocations, OnePlan, WQPA and Watershed Advisory Groups (WAG). Discussion followed about the funds available and the possible ways to distribute it amongst the eligible recipients.

**Flory moved that district allocations be set \$800,000.** Bill Flory asked for discussion. Discussion commenced. **The motion was seconded by Evans** and discussion followed about the need to maintain district funding at a level consistent with last year even though the overall commission budget has decreased by 12%. **The motion passed unanimously.**

Staff discussed the prior year WAG support the Commission has budgeted. Approximately 12 local districts provide administrative staff support for minute-taking and other duties to their Watershed Advisory Group. Staff recommended \$10,000 for this WAG related activity in FY 2010.

Discussion followed about the timing of implementation of ongoing WQPA projects and possibly new WQPA project areas. Hesitation was expressed due to the uncertainty of the state's financial condition and possible need for additional holdbacks.

**Flory moved to postpone a decision on any new WQPA priority areas until the September meeting. Davidson seconded the motion. Motion passed.**

**Evans moved ongoing WQPA project areas be funding at \$674,000 for BMP cost share to producers. Flory seconded the motion.** Discussion followed about Commission policy to reimburse local conservation districts up to 10% of the BMP cost share for their actual

administrative costs and an estimate amount will be budgeted. **The motion carried with three in favor and one opposed.**

**Evans moved that \$15,510 be paid for completion of Conservation Improvement Grants and the program be discontinued as previously directed. Davidson seconded the motion and it passed unanimously.**

The group discussed whether or not to act on the pending requests from IASCD, IDEA, OnePlan and WAG support. The Commissioners recognized the difficulties a delay could present to the groups affected, but wanted to ensure their actions are consistent with current state rules and laws. By consensus, the Commissioners decided to wait until the September meeting in order to obtain advice from the Attorney General's office.

A short break was ordered and the meeting reconvened at 2:46 pm.

The Commissioners discussed Fiscal Year 2011 budget requests. **Evans moved that ISCC formally request the full 2:1 match for local conservation districts. Flory seconded and discussion followed. The Chair asked for a roll call and all commissioners voted in the affirmative so the motion passed unanimously.**

A financial report for the Resource Conservation and Rangeland Development Program (RCRDP) was presented by Dave Saxey. The group discussed the possibility for additional outreach to districts and the amount of the reserves available to cover possible defaults. SCC contractor Frank Arana was introduced to the group. Arana reviewed the file and site inspections that he completed and reviewed his findings with the group. Arana reviewed recommendation for credit reports, document templates, and anti-fraud safeguards. Arana has also reviewed 28 at-random files along with every file that has had a delinquency, and in general found that collateral was sufficient but income was lacking. The commissioners thanked Arana for his assistance.

Saxey also reviewed the status of internal updates to loan files in the computerized system. The software developer was on site in June to do some training and assist with creation of future templates needed. Loan entry and subsequent correspondence will now be standardized, and late fees automatically calculated in the software as outlined in policy. It takes approximately 1-2 hours per loan to review the information, complete any gaps, and scan it into an electronic format.

Schmidt reiterated that staff will review current rules and propose the necessary updates for review at the next Commission meeting.

**Davidson made a motion that we go into executive session under Idaho Code Section 67-2345(d) to consider records that are exempt by law from public inspection. Purpose for moving into Executive Session was to discuss RCRDP loan application #619. Evans seconded the motion and a roll call vote was taken with all members voting in the affirmative.**

The Chair asked all Commission members, Schmidt, Saxey, Carroll, Youtz and Harriet Hensley from the Office of the Attorney General to remain.

**The executive session began at 3:40 p.m.**

**The executive session ended at 4:11 p.m.**

The Chair asked for consideration of RCRDP Loan #619. **Flory moved to deny loan #619. Davidson seconded the motion and it passed unanimously.**

**Evans moved that final loan approval documents be sent for the applicant requesting a livestock crossing. Davidson seconded and the motion passed unanimously.**

Discussion followed about RCRDP loan A-258B and whether or not to modify monthly loan payments. Discussion followed about the loan term, debt service levels, and repayment timing of the first position on the mortgage. **Evans moved to approve the modification to loan A-258B with staggered terms and explicit direction that the Commission does not lose our position. Motion died for lack of second. Flory moved to table loan A-258B. Davidson seconded the motion and it passed unanimously.**

**Davidson moved to approve the one year extension for loan A-346A. Evans seconded the motion and it passed unanimously.**

The Commissioners discussed the timing of distribution for the \$800,000 previously approved for district allocations. Historically, the first allocation would be distributed in July and the second allocation distributed in December or January. The group discussed the possibility of moving the second allocation to earlier in the fall so that districts would have more time to adjust their budgets according to the second (and typically final) allocation. Although the approach has merit, some concern was raised about the uncertainty of county and state budgets. **Evans moved that district allocations be made in July and December for FY 2010. Flory seconded the motion. A roll call vote was requested and all voted in the affirmative.**

Chair Horsch expressed his desire to step down as Chair. **Flory nominated Evans as Chair. Davidson seconded the motion. There was a roll call vote with Evans abstaining and all others voting in the affirmative.**

**Davidson nominated Flory as Vice-Chair. Evans seconded the motion. There was a roll call vote with Flory abstaining and all others voting in the affirmative.**

**Evans nominated Davidson as Secretary. Flory seconded nomination. There was a roll call vote with Davidson abstaining and all others voting in the affirmative.**

Horsch passed the gavel to Chair Evans.

During other business, Davidson reflected that he has heard that the Idaho Conservation Partnership is the State's best kept secret. **Davidson moved that Chair Evans pursue an**



audience with the Governor and other decision makers to present our accomplishments.  
Horsch seconded the motion and discussion followed. The motion passed.

On behalf of the entire Commission, Flory commended Chairman Horsch for his leadership and perserverance during the Commission transition over the last year. His efforts are deserving of commendation and very much appreciated.

By consensus the group rescheduled the September 16<sup>th</sup> commission meeting to September 22, 2009 in Jerome, Idaho. All Commissioners will also plan to attend the September 23 meeting of the Legislative Interim Committee in Jerome. In addition, the North Side Conservation District will arrange a tour for the conservation partnership and any interested state legislators.

Schmidt requested a Commission teleconference for Wednesday, August 12, 2009 to further review and approve FY 2010 budget decisions and FY 2011 budget requests.

**Horsch moved to adjourn the meeting at 4:50 pm. Davidson seconded the motion and it passed unanimously.**

Respectfully submitted,

Joe Davidson  
Commissioner and Secretary,  
Idaho Soil Conservation Commission